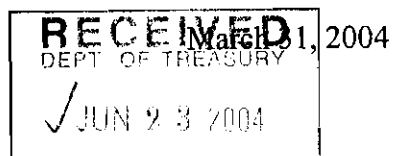


Hamlin Township
(Mason)
**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**



AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name HAMILIN TOWNSHIP	County MASON
Audit Date March 31, 2004	Opinion Date June 3, 2004	Date Accountant Report Submitted to State: June 22, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Countries and Local Units of Government in Michigan* by the Michigan Department of Treasury.

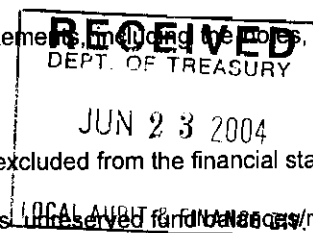
We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We have certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | | |
|------------------------------|--|---|
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |



We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) BRICKLEY DELONG, PLC			
Street Address 500 TERRACE PLAZA, P.O. BOX 999		City Muskegon	State Michigan
Accountant Signature <i>Timothy D. Decker, C.P.A. for Brickley DeLong, PLC</i>		ZIP 49443	

CONTENTS

INDEPENDENT AUDITORS' REPORT	3
GENERAL PURPOSE FINANCIAL STATEMENTS	
COMBINED BALANCE SHEET—ALL FUND TYPES AND ACCOUNT GROUPS	4
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—ALL GOVERNMENTAL FUND TYPES	5
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—BUDGET AND ACTUAL— GENERAL FUND AND SPECIAL REVENUE FUNDS.....	6
STATEMENT OF CHANGES IN PLAN NET ASSETS— PENSION TRUST FUND	7
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS	8
COMBINING AND INDIVIDUAL FUND STATEMENTS	
GENERAL FUND	
STATEMENT OF REVENUES	17
STATEMENT OF EXPENDITURES	18
SPECIAL REVENUE FUNDS	
COMBINING BALANCE SHEET	22
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES.....	23
TRUST AND AGENCY FUNDS	
COMBINING BALANCE SHEET	24
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES	25

BRICKLEY DeLONG

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

June 3, 2004

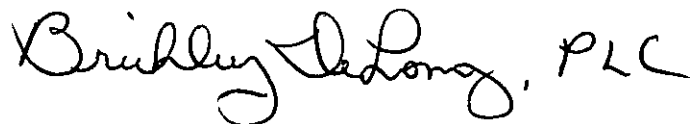
Township Board
Hamlin Township
Ludington, Michigan

We have audited the accompanying general purpose financial statements of Hamlin Township as of and for the year ended March 31, 2004 as listed in the table of contents. These general purpose financial statements are the responsibility of Hamlin Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Hamlin Township as of March 31, 2004 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements provided on pages 17 through 25 are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Hamlin Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



Hamlin Township
COMBINED BALANCE SHEET—ALL FUND TYPES AND ACCOUNT GROUPS
March 31, 2004

ASSETS						
	Governmental Fund Types			Fiduciary Fund Types	Account Groups	
	General	Special Revenue	Debt Service		General fixed assets	General long-term debt
Cash and investments	\$ 561,673	\$ 94,823	\$ 87,951	\$ 59,323	\$ -	\$ -
Taxes receivable	10,283	6,431	7,350	-	-	-
Due from other governmental units	33,365	280	-	-	-	-
Advances to other funds	2,000	-	-	-	-	-
Prepaid expenses	3,195	-	-	-	-	-
Property, plant and equipment—at cost	-	-	-	-	1,328,312	-
Amount available in debt service funds	-	-	-	-	-	95,301
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	482,650
	\$ 610,516	\$ 101,534	\$ 95,301	\$ 59,323	\$ 1,328,312	\$ 577,951

LIABILITIES AND FUND EQUITY

LIABILITIES					
Deposits held for others	\$ -	\$ -	\$ -	\$ 4,639	\$ -
Advances from other funds	-	-	-	2,000	-
Long-term debt	-	-	-	-	577,951
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,639</u>	<u>577,951</u>
FUND EQUITY					
Investment in general fixed assets	-	-	-	-	-
Fund balances					1,328,312
Reserved for prepaid expenses	3,195	-	-	-	-
Reserved for debt service	-	-	95,301	-	-
Reserved for advances	2,000	-	-	-	-
Reserved for pension benefits	-	-	-	52,684	-
Undesignated	605,321	101,534	-	-	-
	<u>610,516</u>	<u>101,534</u>	<u>95,301</u>	<u>52,684</u>	<u>-</u>
	<u>\$ 610,516</u>	<u>\$ 101,534</u>	<u>\$ 95,301</u>	<u>\$ 59,323</u>	<u>\$ 1,328,312</u>
					<u>\$ 577,951</u>

The accompanying notes are an integral part of this statement.

Hamlin Township
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES—ALL GOVERNMENTAL FUND TYPES**
 Year ended March 31, 2004

	General Fund	Special Revenue	Debt Service
Revenues			
Taxes	\$ 112,370	\$ 64,483	\$ 73,655
Licenses and permits	3,086	-	-
Intergovernmental revenues—state	250,880	-	-
Charges for services	75,640	-	-
Investment income	10,970	1,365	1,034
Other	9,373	3,034	-
	<u>462,319</u>	<u>68,882</u>	<u>74,689</u>
Expenditures			
Current			
Legislative	28,632	-	-
General government	205,960	-	-
Public safety	31,333	55,998	-
Public works	53,479	-	-
Culture and recreation	9,376	-	-
Other governmental functions	22,376	-	-
Capital outlay	22,771	340	-
Debt service			
Principal	920	-	20,000
Interest and fees	598	-	32,365
	<u>375,445</u>	<u>56,338</u>	<u>52,365</u>
Excess of revenues over expenditures	86,874	12,544	22,324
Other financing sources (uses)			
Loan proceeds	6,350	-	-
Operating transfers in	851	-	-
Operating transfers out	-	(851)	-
	<u>7,201</u>	<u>(851)</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other financing uses	94,075	11,693	22,324
Fund balance at April 1, 2003	516,441	89,841	72,977
Fund balance at March 31, 2004	<u>\$ 610,516</u>	<u>\$ 101,534</u>	<u>\$ 95,301</u>

The accompanying notes are an integral part of this statement.

Hamlin Township
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL—GENERAL FUND AND SPECIAL REVENUE FUNDS
Year ended March 31, 2004

	General Fund		Special Revenue	
	Amended budget	Actual	Amended budget	Over (under) amended budget
Revenues				
Taxes	\$ 89,300	\$ 112,370	\$ 59,800	\$ 4,683
Licenses and permits	2,520	3,086	-	-
Intergovernmental revenues—state	180,000	250,880	-	-
Charges for services	55,000	75,640	-	-
Investment income	10,000	10,970	200	1,165
Other	6,200	9,373	-	3,034
	<u>343,020</u>	<u>462,319</u>	<u>60,000</u>	<u>8,882</u>
Expenditures				
Current				
Legislative	30,000	28,632	-	-
General government	249,900	205,960	-	-
Public safety	39,000	31,333	50,000	5,998
Public works	57,000	53,479	-	-
Culture and recreation	15,000	9,376	-	-
Other governmental functions	23,000	22,376	-	-
Capital outlay	22,000	22,771	1,000	(660)
Debt service	-	920	-	-
Principal	-	598	-	-
Interest and fees	<u>435,900</u>	<u>375,445</u>	<u>51,000</u>	<u>5,338</u>
Excess of revenues over (under) expenditures	(92,880)	86,874	9,000	3,544
Other financing sources (uses)				
Loan proceeds	-	6,350	-	-
Operating transfers in	-	851	-	-
Operating transfers out	-	-	-	(851)
	<u>-</u>	<u>7,201</u>	<u>-</u>	<u>(851)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ (92,880)	94,075	\$ 9,000	\$ 2,693
Fund balance at April 1, 2003		<u>516,441</u>		<u>89,841</u>
Fund balance at March 31, 2004		<u>\$ 610,516</u>		<u>\$ 101,534</u>

The accompanying notes are an integral part of this statement.

Hamlin Township
Pension Trust Fund
STATEMENT OF CHANGES IN PLAN NET ASSETS
Year ended March 31, 2004

ADDITIONS	
Contributions	
Employer contributions	\$ 23,328
Investment income	
Net appreciation in fair value	<u>8,069</u>
	31,397
DEDUCTIONS	
Investment Fees	<u>(587)</u>
NET INCREASE FOR THE YEAR	30,810
Net assets held in trust for pension benefits at April 1, 2003	<u>21,874</u>
Net assets held in trust for pension benefits at March 31, 2004	<u><u>\$ 52,684</u></u>

The accompanying notes are an integral part of this statement.

Hamlin Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
March 31, 2004

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Hamlin Township are prepared in accordance with generally accepted accounting principles. The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

1. Reporting Entity

Hamlin Township (Township) is a common law township governed by an elected five-member board.

Generally accepted accounting principles require that if the Township has certain oversight responsibilities over other organizations, those organizations should be included in the Township's financial statements. Since no organizations met this criteria, none are included in the financial statements.

2. Fund Accounting

The accounts of the Township are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The following fund categories (further divided by fund type) and account groups are used by the Township:

Governmental Funds

Governmental funds are used to account for the Township's general government activities. The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects). The debt service funds account for the servicing of general long-term debt.

Fiduciary Fund

The fiduciary fund accounts for assets held by the Township on behalf of others in a fiduciary capacity. Pension trust funds account for assets held in a fiduciary capacity for employee retirement benefits. The agency fund accounts for assets the Township holds on behalf of others.

Account Groups

The general fixed assets account group is used to account for fixed assets. The general long-term debt account group is used to account for general long-term debt and certain other liabilities.

Hamlin Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
March 31, 2004

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

3. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types are presented using the flow of current financial resources measurement focus. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources.

The governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Township considers all revenues available if they are collected within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims, and judgments which are recognized when the obligations are expected to be liquidated with available expendable financial resources.

Property taxes, franchise taxes, licenses, interest, and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the Township and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Pension Trust Funds are custodial in nature and utilize accrual accounting.

4. Assets, Liabilities and Equity

a. Deposits and Investments

The Township’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition.

Hamlin Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
March 31, 2004

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

4. Assets, Liabilities and Equity—Continued

a. Deposits and Investments—Continued

The Township has adopted an investment policy in compliance with State of Michigan statutes. These statutes authorize the Township to invest in obligations of the United States, certificates of deposit, prime commercial paper, securities guaranteed by United States agencies or instrumentalities, United States government or federal agency obligation repurchase agreements, bankers acceptances, state-approved investment pools, and certain mutual funds.

Pension plan investments are reported at fair value. The Township's pension trust investments are held in trust by the investment fiduciary, The Manufacturers Life Insurance Company. Michigan Compiled Laws, Section 38.1132, authorizes the Township's plan to invest in a wide variety of investments including stocks, bonds, certificates of deposit, real estate, annuity contracts obligations of specified nature, and real or personal property.

b. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available expendable financial resources.

The Township bills and collects its own property taxes. Taxes are levied on December 1 and are due without penalty on or before February 28. The property taxes attach as an enforceable lien on property as of December 1. Uncollected real property taxes as of the following March 1 are turned over by the Township to the County for collection. The County advances the Township all of these delinquent real property taxes. Collection of delinquent personal property taxes as of February 28 remain the responsibility of the Township Treasurer.

The 2003 taxable value for the Township was \$133,886,589 on which ad valorem taxes were levied at .7695 mills for operating purposes, .4812 for fire operations, and .55 for debt service. These amounts are recognized in the General Fund, Fire Fund and Debt Service Fund financial statements.

Hamlin Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
March 31, 2004

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

4. Assets, Liabilities and Equity—Continued

c. Property and Equipment

Property and equipment used in governmental fund types of the Township are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

d. Compensated Absences

Full-time permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Township. Accumulated vacation time does not generally carry over beyond the calendar year in which it is earned. Sick leave accrues to full-time permanent employees to specified maximums. Generally, after one year of service, employees are entitled to a percentage of their sick leave balance. The sick leave benefits are recorded in the general long-term debt account group.

e. Long-Term Obligations

The Township reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

f. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

g. Combining Statements

The Township operates a single capital projects fund and debt service fund; therefore, no combining statements for these fund groups is presented.

Hamlin Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
March 31, 2004

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

5. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets, as required by state statutes, are adopted on a basis consistent with generally accepted accounting principles for all the governmental funds except capital projects funds which adopt a project length budget and debt service funds.

The Township follows these procedures in establishing the budgetary information provided in the financial statements:

- a. Prior to the first week of March, the Township Supervisor submits to the Township Board a proposed operating budget for the year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted at the Township Hall to obtain taxpayer comments.
- c. Not later than the first week in March, the budget is legally enacted through passage of a resolution.
- d. Supplemental appropriations, when required to provide for additional expenditures, are matched by additional anticipated revenues or an appropriation of available fund balance and must be approved by the Township Board. All appropriations lapse at year end.

The appropriated budget is prepared by fund, function, and department. The Township's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Township Board. The legal level of budgetary control is the department level. The Township Board made several supplemental budgetary appropriations throughout the year.

Hamlin Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
March 31, 2004

NOTE C—DEPOSITS AND INVESTMENTS

1. Deposits

The Township's deposits are categorized to give an indication of the level of risk assumed by the entity at year end. Category 1 includes deposits insured or collateralized with securities held by the entity or its agent in the entity's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. Category 3 includes deposits which are uncollateralized.

As of March 31, 2004, the Township's carrying amount of deposits was \$89,451, and the bank balance was \$95,718. Of the bank balance, \$95,718 was covered by federal depository insurance.

2. Investments

As of March 31, 2004, the Township's investments represented holdings in investment pools, certificates of deposit with original maturities of longer than six months and mutual funds.

During the year ended March 31, 2004, the Township's investments were only in these types of investments.

The Township's investments are categorized below to give an indication of the level of risk assumed by the entity at year end. Category 1 includes investments that are insured or registered or the securities held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the Township's name. As of March 31, 2004, the Township had Category 1 certificates of deposit with carrying values approximating market values of \$75,975. The state-approved investment pools are not categorized as they are synonymous with mutual funds. As of March 31, 2004, the Township's carrying amount and market value in those pools and mutual funds was \$637,344.

The composition of pension trust fund investments at fair value is included in the previous paragraph and shown as follows:

Managed domestic stock funds	\$ <u>52,684</u>
------------------------------	------------------

Hamlin Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
 March 31, 2004

NOTE D—PROPERTY, PLANT AND EQUIPMENT

Changes in the components of the General Fixed Assets Account Group are summarized as follows:

	Balance April 1, 2003	Additions	Deletions	Balance March 31, 2004
Land	\$ 133,946	\$ -	\$ -	\$ 133,946
Buildings	936,778	3,497	-	940,275
Equipment	<u>234,477</u>	<u>19,614</u>	<u>-</u>	<u>254,091</u>
	<u>\$1,305,201</u>	<u>\$ 23,111</u>	<u>\$ -</u>	<u>\$1,328,312</u>

NOTE E—LONG-TERM DEBT

1. Summary of and Changes in Long-Term Debt

Long-term debt at March 31, 2004 is comprised of the following:

	Balance April 1, 2003	Additions	Retirements	Balance March 31, 2004
<i>General Long-Term Debt Account Group</i>				
5.6% Note payable to bank due in annual installments of \$51,030 to \$54,970 including interest; final payment due March 2020	\$ 590,000	\$ -	\$ 20,000	\$ 570,000
10.98% Capital lease payable due in monthly installments of \$138, including interest; final payment due April 2008	-	6,350	920	5,430
Compensated absences	<u>3,647</u>	<u>-</u>	<u>1,126</u>	<u>2,521</u>
	<u>\$ 593,647</u>	<u>\$ 6,350</u>	<u>\$ 22,046</u>	<u>\$ 577,951</u>

Hamlin Township
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS—CONTINUED
March 31, 2004

NOTE E—LONG-TERM DEBT—Continued

2. Summary of Annual Requirements

The annual requirements to pay debt service, including interest of \$306,228 on the long-term debt outstanding at March 31, 2004 are as follows:

<u>Fiscal year</u>	<u>General long-term debt</u>
2005	\$ 52,686
2006	56,626
2007	55,300
2008	53,976
2009	56,132
2010-2014	275,298
2015-2019	273,560
2020	58,080
Thereafter	<u>2,521</u>
	<u>\$884,179</u>

NOTE F—COMMITMENTS

The Township is a guarantor of two notes on equipment used by the Western Mason County Fire District Authority, Inc. The outstanding balances of these notes at March 31, 2004 were \$57,311 and \$91,804.

NOTE G—PENSION PLAN

The Township provides pension benefits for its full-time employees through a money purchase plan. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. The Plan is administered through an independent third party, and contributions are based on annual earnings. For the year ended March 31, 2004, wages covered by the Plan were approximately \$112,500. For the year ended March 31, 2004, the contribution to the Plan by the Township was approximately \$23,000 which represents 10 percent of covered payroll plus a past service contribution of \$12,076.

NOTE H—OTHER INFORMATION

Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Township carries commercial insurance. Liabilities in excess of commercial insurance, if any, are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. There have been no losses in excess of insurance in the past three years.

COMBINING AND INDIVIDUAL FUND STATEMENTS

Hamlin Township
 General Fund
STATEMENT OF REVENUES
 Year ended March 31, 2004

Revenues	
Taxes	\$ 112,370
Licenses and permits	3,086
Intergovernmental revenues—state	250,880
Charges for services	75,640
Investment income	10,970
Other	
Franchise fees	4,743
Miscellaneous	4,630
	<u>9,373</u>
Other financing sources	
Loan proceeds	6,350
Transfers in	851
	<u>7,201</u>
	<u>\$ 469,520</u>

Hamlin Township
General Fund
STATEMENT OF EXPENDITURES
Year ended March 31, 2004

Expenditures		
Legislative		
Township board		
Salaries and wages	\$	3,045
Payroll taxes		233
Supplies		1,417
Professional services		5,284
Membership and dues		2,467
Community promotion		850
Publishing		2,568
Insurance		7,684
Other		5,084
		<u>28,632</u>
General government		
Office manager		
Salaries and wages		22,312
Payroll taxes		1,707
Health insurance		4,211
Supplies		5,024
Other		1,230
		<u>34,484</u>
Supervisor		
Salaries and wages		17,395
Payroll taxes		1,331
Membership and dues		140
		<u>18,866</u>

Hamlin Township
General Fund
STATEMENT OF EXPENDITURES—CONTINUED
Year ended March 31, 2004

Expenditures—Continued	
General government—Continued	
Assessor	
Salaries and wages	\$ 25,766
Payroll taxes	1,971
Health insurance	4,211
Supplies	1,234
Professional services	3,531
Membership and dues	1,005
Other	4,140
	<hr/> 41,858
Clerk	
Salaries and wages	17,395
Payroll taxes	1,331
Supplies	423
Transportation	18
Membership and dues	60
Other	500
	<hr/> 19,727
Board of review	
Salaries and wages	1,780
Payroll taxes	136
Supplies	80
	<hr/> 1,996
Treasurer	
Salaries and wages	17,395
Payroll taxes	1,331
Supplies	3,641
Professional services	6,928
Transportation and training	22
Other	75
	<hr/> 29,392

Hamlin Township
General Fund
STATEMENT OF EXPENDITURES—CONTINUED
Year ended March 31, 2004

Expenditures—Continued	
General government—Continued	
Townhall	
Salaries and wages	\$ 6,533
Payroll taxes	500
Repairs and maintenance	15,752
Transportation	99
Communications	3,500
Utilities	8,100
Other	130
	<hr/> 34,614
Zoning administrator	
Salaries and wages	12,256
Payroll taxes	937
Supplies	147
Professional services	2,314
	<hr/> 15,654
Planning commission	
Salaries and wages	5,378
Payroll taxes	412
Supplies	620
Professional services	324
Publishing	674
Other	582
	<hr/> 7,990
Zoning Board of Appeals	
Salaries and wages	706
Payroll taxes	54
Supplies	49
Publishing	466
Other	104
	<hr/> 1,379
	<hr/> 205,960

Hamlin Township
General Fund
STATEMENT OF EXPENDITURES—CONTINUED
Year ended March 31, 2004

Expenditures—Continued	
Public works	
Roads	\$ 52,479
Street lights	1,000
	<u>53,479</u>
Public safety	
Transfer facilities	
Salaries and wages	8,072
Payroll taxes	618
Supplies	310
Repairs and maintenance	890
Refuse removal	13,306
Recycling	5,340
Snow removal	1,200
Other	1,597
	<u>31,333</u>
Culture and recreation	
Parks	
Salaries and wages	2,270
Payroll taxes	174
Repairs and maintenance	4,585
Snow removal	710
Other	1,637
	<u>9,376</u>
Other governmental functions	
Pension expense	22,376
Capital outlay	22,771
Debt service	
Principal	920
Interest and fees	598
	<u>\$ 375,445</u>

Hamlin Township
 Special Revenue Funds
COMBINING BALANCE SHEET
 March 31, 2004

ASSETS

	<u>Combined</u>	<u>Fire</u>	<u>Budget Stabilization</u>
Cash and investments	\$ 94,823	\$ 56,223	\$ 38,600
Taxes receivable	6,431	6,431	-
Due from other governmental units	<u>280</u>	<u>280</u>	<u>-</u>
	<u>\$ 101,534</u>	<u>\$ 62,934</u>	<u>\$ 38,600</u>

FUND BALANCE

FUND BALANCE			
Undesignated	<u>\$ 101,534</u>	<u>\$ 62,934</u>	<u>\$ 38,600</u>
	<u>\$ 101,534</u>	<u>\$ 62,934</u>	<u>\$ 38,600</u>

Hamlin Township
 Special Revenue Funds
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES**
 Year ended March 31, 2004

	Combined	Fire	Budget Stabilization
Revenues			
Taxes	\$ 64,483	\$ 64,483	\$ -
Investment income	1,365	514	851
Other	3,034	3,034	-
	<u>68,882</u>	<u>68,031</u>	<u>851</u>
Expenditures			
Current			
Public safety	55,998	55,998	-
Capital outlay	340	340	-
	<u>56,338</u>	<u>56,338</u>	<u>-</u>
Excess of revenues over expenditures	12,544	11,693	851
Other financing uses			
Operating transfers out	<u>(851)</u>	<u>-</u>	<u>(851)</u>
Excess of revenues over expenditures and other financing uses	11,693	11,693	-
Fund balances at April 1, 2003	<u>89,841</u>	<u>51,241</u>	<u>38,600</u>
Fund balances at March 31, 2004	<u>\$ 101,534</u>	<u>\$ 62,934</u>	<u>\$ 38,600</u>

Hamlin Township
Trust and Agency Funds

COMBINING BALANCE SHEET

March 31, 2004

ASSETS

	<u>Agency Fund</u>		
	<u>Pension Trust Fund</u>	<u>Trust and Agency Fund</u>	<u>Tax Collection Agency Fund</u>
Cash and investments	\$ 59,323	\$ 5,639	\$ 1,000
	<u>\$ 59,323</u>	<u>\$ 5,639</u>	<u>\$ 1,000</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Advances from other funds	\$ 2,000	\$ -	\$ 1,000
Deposits held for others	4,639	-	4,639
	<u>6,639</u>	<u>-</u>	<u>5,639</u>
	\$	\$	\$
			<u>1,000</u>
			\$ -
			<u>1,000</u>

FUND BALANCES

Reserved for pension benefits	52,684	52,684	-
	\$ 59,323	\$ 52,684	\$ 5,639
			\$ 1,000

Hamlin Township
Trust and Agency Funds
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended March 31, 2004

TRUST AND AGENCY FUND

Assets	Balance April 1, 2003	Additions	Deductions	Balance March 31, 2004
Cash and investments	\$ 6,364	\$ 26,580	\$ 27,305	\$ 5,639
	<u>\$ 6,364</u>	<u>\$ 26,580</u>	<u>\$ 27,305</u>	<u>\$ 5,639</u>
 Liabilities				
Advances from other funds	\$ 500	\$ 500	\$ -	\$ 1,000
Deposits held for others	5,864	26,080	27,305	4,639
	<u>\$ 6,364</u>	<u>\$ 26,580</u>	<u>\$ 27,305</u>	<u>\$ 5,639</u>

TAX COLLECTION FUND

Assets	Balance April 1, 2003	Additions	Deductions	Balance March 31, 2004
Cash and investments	\$ 2,124	\$ 3,689,748	\$ 3,690,872	\$ 1,000
	<u>\$ 2,124</u>	<u>\$ 3,689,748</u>	<u>\$ 3,690,872</u>	<u>\$ 1,000</u>
 Liabilities				
Due to other funds	\$ 104	\$ 279,549	\$ 279,653	\$ -
Due to other governmental units	520	3,410,199	3,410,719	-
Advances from other funds	1,500	-	500	1,000
	<u>\$ 2,124</u>	<u>\$ 3,689,748</u>	<u>\$ 3,690,872</u>	<u>\$ 1,000</u>